

1 AN ACT relating to economic relief for local communities of the Commonwealth.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
4 READ AS FOLLOWS:

5 *The General Assembly finds and declares that the purpose of Sections 1 to 9 of this Act*
6 *is to support the priority communities in the Commonwealth designated by the*
7 *Interagency Working Group on Coal and Power Plant Communities and Economic*
8 *Revitalization established by Presidential Executive Order 14008, issued on January*
9 *27, 2021. In enacting Sections 1 to 9 of this Act, it is the intention of the General*
10 *Assembly to enable the Department for Local Government to enter into a partnership*
11 *with the Kentucky Council of Area Development Districts for the purposes of the*
12 *Government Resources Accelerating Needed Transformation Program established in*
13 *Section 3 of this Act, and to administer the program funds to achieve those purposes.*

14 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
15 READ AS FOLLOWS:

16 *As used in Sections 1 to 9 of this Act:*

17 *(1) "Department" means the Department for Local Government;*

18 *(2) "Eligible grant recipient" means a grant applicant that is a local government or*
19 *nonprofit entity engaged in public benefit improvements to priority communities;*

20 *(3) "Eligible project" means a public benefit project in a priority community or*
21 *benefiting a priority community with available matching funds that satisfies the*
22 *evaluation criteria in Section 6 of this Act and that is initiated on:*

23 *(a) Publicly owned property;*

24 *(b) Property to be acquired, which comes with either a:*

25 *1. Legally binding letter of intent or option for the sale to an eligible*
26 *grant recipient; or*

27 *2. Sale agreement for the sale to an eligible grant recipient; or*

1 (c) Private property on which a project is located that is in the public interest
 2 and for a public purpose and that benefits a priority community;

3 (4) "Eligible use" means the authorized purpose for which an awarded grant may be
 4 used depending on the source of funds from the Commonwealth. "Eligible use"
 5 may include but is not limited to any of the categories in Section 6 of this Act;

6 (5) "Interagency Working Group" means the Interagency Working Group on Coal
 7 and Power Plant Communities and Economic Revitalization established by
 8 Presidential Executive Order 14008, issued on January 27, 2021;

9 (6) "Priority community" means the areas impacted by concentrated, direct coal-
 10 related job losses from mine and power plant closures in recent years as
 11 designated by the Interagency Working Group; and

12 (7) "Regional project" means an eligible project that is proposed by eligible grant
 13 recipients residing in different counties in this Commonwealth who submit a
 14 single grant application.

15 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 16 READ AS FOLLOWS:

17 (1) The Government Resources Accelerating Needed Transformation Program is
 18 hereby established under the department. The department shall partner with the
 19 Kentucky Council of Area Development Districts to administer the program. The
 20 department's administration of the program includes but is not limited to the
 21 following:

22 (a) Creating and making available a standardized grant application and a
 23 regional grant application;

24 (b) Developing a standardized scoring system pursuant to Section 7 of this Act;

25 (c) Reviewing the applications and proposals submitted by the proposed grant
 26 recipients;

27 (d) Verifying the eligibility of the proposed grant recipients;

- 1 (e) Verifying that the proposed grant recipient seeks grant money for an
2 eligible project; and
- 3 (f) Awarding matching grants to selected eligible grant recipients.
- 4 (2) The Kentucky Council of Area Development Districts shall:
- 5 (a) Process the grant applications;
- 6 (b) Determine whether a grant applicant is an eligible grant recipient and
7 seeking a grant for an eligible project;
- 8 (c) Evaluate the project proposed by the grant application in accordance with
9 the evaluation criteria set forth in Section 6 of this Act and the criteria
10 recommended by the third-party independent grant consultant;
- 11 (d) Score each grant application project pursuant to the scoring system
12 described in Section 7 of this Act;
- 13 (e) Rank each grant application:
- 14 1. To prioritize the greatest return on investment and relative positive
15 impact on the priority community; and
- 16 2. Based on the project evaluation and the project score described in
17 Sections 6 and 7 of this Act;
- 18 (f) Compile a list of proposed grant recipients whose eligible project
19 demonstrates a high level of investment potential if a grant is made, as
20 revealed by the evaluation, scoring, and ranking process described in this
21 section and Sections 6 and 7 of this Act;
- 22 (g) Submit the proposed grant recipients and their prioritization to the
23 department for final selection of the grant recipients;
- 24 (h) Provide detailed feedback to the grant applicants after the project evaluation
25 and project score are completed; and
- 26 (i) Compile an annual report for the department conveying the following
27 information about the project:

- 1 1. A list of all program applicants;
- 2 2. The identity of applicants who were not selected for recommendation;
- 3 3. Trends found in feedback given to applicants who were not selected
4 for recommendation;
- 5 4. Eligible uses of the projects cited in the grant applications; and
- 6 5. Any other information requested by the department.
- 7 (3) The Kentucky Council of Area Development Districts may contract with a third-
8 party independent grant consultant to assist with the grant applicant evaluations,
9 scoring, prioritization, and recommendations described in this section and
10 Sections 6 and 7 of this Act.
- 11 (4) Upon receipt of eligible grant recipients and eligible grant project
12 recommendations and prioritization from the Kentucky Council of Area
13 Development Districts and the third-party independent grant consultant, the
14 department shall verify and process the eligible grant recipients and eligible
15 project recommendations with the intent to approve and award grant funds as a
16 match for federal grants to priority communities.
- 17 (5) The department shall determine the terms, conditions, and requirements of
18 application for grant funds awarded from the Government Resources
19 Accelerating Needed Transformation Program fund, in consultation with the
20 Kentucky Council of Area Development Districts. The department may establish
21 procedures and standards for the review and approval of eligible grant awards
22 through the promulgation of administrative regulations in accordance with KRS
23 Chapter 13A.
- 24 (6) The commissioner of the department shall have the authority to hire staff,
25 contract for services, expend funds, and operate the normal business activities of
26 the Government Resources Accelerating Needed Transformation Program.
- 27 (7) The Government Resources Accelerating Needed Transformation Program shall

1 sunset on December 31, 2026, unless authorized by the General Assembly to
 2 continue its work for a specified period of time.

3 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 4 READ AS FOLLOWS:

5 (1) To participate in the Government Resources Accelerating Needed
 6 Transformation Program, grant applicants shall submit either a standardized or a
 7 regional application to the Kentucky Council of Area Development Districts that
 8 may be shared with the third-party independent grant consultant for review.

9 (2) If a grant application is selected as an eligible grant recipient approved under
 10 Section 6 of this Act, it shall comply with any grant agreement and reporting
 11 requirements deemed necessary by the department to verify that the awarded
 12 grant goes toward an eligible use.

13 (3) If the selected grant recipient fails to comply with subsection (2) of this section or
 14 uses the awarded grant money for any purpose other than an eligible use, the
 15 selected eligible grant recipient shall forfeit and be liable to the department for
 16 the full award amount.

17 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 18 READ AS FOLLOWS:

19 (1) There is hereby established in the State Treasury a trust and agency account to be
 20 known as the Government Resources Accelerating Needed Transformation
 21 Program fund. The fund shall consist of moneys received from state
 22 appropriations, gifts, grants, and federal funds.

23 (2) The fund shall be administered and maintained by the department.

24 (3) Amounts deposited in the fund shall be used for:

25 (a) Awarding matching fund grants to applicants of the Government Resources
 26 Accelerating Needed Transformation Program upon notification of award
 27 of the federal grant requiring matching funds; and

- 1 (b) Administration of the program.
- 2 (4) Notwithstanding KRS 45.229, moneys in the account not expended at the close of
- 3 a fiscal year shall not lapse but shall be carried forward into the next fiscal year.
- 4 (5) Any interest earnings of the fund shall become a part of the fund and shall not
- 5 lapse.
- 6 (6) Moneys deposited in the fund are hereby appropriated for the purposes set forth
- 7 in this section and shall not be appropriated or transferred by the General
- 8 Assembly for any other purposes.
- 9 (7) Any amounts obligated under subsection (3)(a) of this section shall be canceled
- 10 upon denial of the federal award.
- 11 (8) By December 1, 2023, and annually thereafter until December 1, 2026, the
- 12 department shall prepare an annual report detailing the expenditures for the
- 13 administration of the program from the fund, which shall be included in the
- 14 annual report submitted under Section 8 of this Act.

15 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 16 READ AS FOLLOWS:

- 17 (1) The department shall identify and certify the locations for grant funding
- 18 assistance by utilizing the designation of priority communities established by the
- 19 Interagency Working Group. The department shall not approve a project unless it
- 20 finds that the project is in the public interest and the grant funds will be used for
- 21 a public purpose. For purposes of this subsection, projects that are in the public
- 22 interest and for a public purpose can provide private benefit, if the department
- 23 finds the following:
- 24 (a) 1. The project will enhance a priority community or region;
- 25 2. The granting entity for which the department’s matching grant is
- 26 being used requires a public purpose for grant eligibility; and
- 27 3. The department in its judgment concludes the proposal will enhance

1 the quality of life or services in a priority community or region; and

2 (b) A public purpose includes but is not limited to projects that:

- 3 1. Enhance economic vitality, including revitalization of structures that
- 4 have a public purpose or benefit;
- 5 2. Promote or develop an artistic or philanthropic purpose;
- 6 3. Improve traditional infrastructure, such as water and wastewater
- 7 treatment facilities, transmission lines, transportation facilities, and
- 8 flood and wastewater management;
- 9 4. Create or enhance telecommunications infrastructure, including
- 10 cellular towers, fiber optic expansion, and technology infrastructure;
- 11 5. Promote agricultural activities and development;
- 12 6. Enhance development of previously mined areas or areas previously
- 13 used by the coal industry and other industrial activities into uses that
- 14 diversify the local economy;
- 15 7. Create or expand recreational facilities, such as walking, hiking, all-
- 16 terrain vehicle, bike trails, picnic facilities, restrooms, boat docking
- 17 and fishing piers, and athletic facilities;
- 18 8. Acquire private property that promotes local economic vitality and
- 19 housing development and enhancement;
- 20 9. Preserve or enhance buildings that are of local historic or economic
- 21 interest;
- 22 10. Restore or create retail facilities, including related service, parking,
- 23 and transportation facilities, to revitalize decaying downtown areas;
- 24 11. Construct or expand other facilities that promote or enhance
- 25 economic development or tourism opportunities, thereby promoting
- 26 the general welfare of local residents;
- 27 12. Provide facilities and activities for local residences that enhance

1 quality of life, including but not limited to childcare access and public
 2 transportation;

3 13. Provide vocational and entrepreneurial training for displaced miners
 4 and other persons that have lost jobs or have been unable to find
 5 employment or business opportunities in the region;

6 14. Invest in priority communities housing stock removal and remediation
 7 to facilitate community preservation and aesthetics; or

8 15. Create drug and substance abuse rehabilitation programs and
 9 facilities.

10 (2) The Kentucky Council of Area Development Districts shall evaluate each
 11 applicant's eligible project according to the criteria described in this section and
 12 Section 7 of this Act for the purpose of compiling a recommendation and score
 13 for the eligible project pursuant to Section 7 of this Act.

14 (3) The Kentucky Council of Area Development Districts and the third-party
 15 independent grant consultant shall consider the following:

16 (a) Applicant's eligibility when evaluated against the requirements of the
 17 federal grant;

18 (b) Application completeness when evaluated against the requirements of the
 19 grant;

20 (c) Application content when evaluated against the federal grant program's
 21 publicly available scoring rubric or evaluation criteria, if any;

22 (d) Evidence that the project will provide a direct and public benefit to one (1)
 23 or more of the priority communities;

24 (e) Evidence of community support for the project;

25 (f) Likelihood that the applicant can successfully implement the grant-funded
 26 project;

27 (g) Likelihood that the applicant can successfully manage the federal grant's

- 1 subsequent impact on the priority community; and
 2 4. A determination of the cost of the project based on the cost expended
 3 by the department if it awards the requested grant amount to the
 4 applicant; and
 5 (b) Relative positive impact the project will have on the surrounding
 6 community.

7 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 8 READ AS FOLLOWS:

9 By December 1, 2023, and annually thereafter until December 1, 2026, the Department
 10 for Local Government shall prepare an annual report of the Government Resources
 11 Accelerating Needed Transformation Program to be submitted to the Governor and the
 12 Interim Joint Committee on Economic Development and Workforce Investment and
 13 make it available on the Department for Local Government's website. The annual
 14 report shall include but not be limited to the following:

- 15 (1) A report from the Kentucky Council of Area Development Districts pursuant to
 16 Section 3 of this Act;
 17 (2) A summary of grant applications received and relevant statistics relating to
 18 actions taken by the department and grants awarded, including the applicant,
 19 award amount, and the purpose of the funding;
 20 (3) The detailed report of expenditures for the administration of the program
 21 prepared under subsection (8) of Section 5 of this Act;
 22 (4) The current balance of the Government Resources Accelerating Needed
 23 Transformation Program fund;
 24 (5) Recommendations regarding appropriations to the Government Resources
 25 Accelerating Needed Transformation Program fund for the upcoming fiscal year;
 26 and
 27 (6) Recommendations for legislation or policy actions needed to facilitate greater

1 **receipt of grant funding to priority communities.**

2 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
3 READ AS FOLLOWS:

4 **Sections 1 to 9 of this Act shall be known as the Government Resources Accelerating**
5 **Needed Transformation Act.**

6 ➔Section 10. There is hereby appropriated General Fund moneys in the amount
7 of \$2,000,000 in fiscal year 2023-2024 to the Government Resources Accelerating
8 Needed Transformation Program fund created in Section 5 of this Act for the
9 administration of the program in accordance with Sections 1 to 9 of this Act.